



**FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
FEDERAL INSURANCE MITIGATION ADMINISTRATION (FIMA)
APPEAL DECISION**

FEMA Flood Insurance Appeal Decision #C5

OVERVIEW

The policyholders, through their representative (hereinafter “policyholders”), filed an appeal on September 2020, alleging their flood insurance carrier (hereinafter “insurer”) improperly denied their claim under the Standard Flood Insurance Policy (SFIP)¹ for damages to covered property arising from a claimed flood event dated June 2020.²

In its review, FEMA found the following facts relevant:

- At the time of loss, the policyholders had \$250,000 of building coverage and \$100,000 of personal property coverage.
- The insured building is a single-story building, partially on a concrete slab foundation with a subgrade crawlspace.
- Following the claimed flood event, the policyholders filed a claim with the insurer and the insurer assigned an adjuster to inspect the property.
- On July 2020, the adjuster inspected the property and could not confirm a general and temporary condition of flood existed on the claimed date of loss. The adjuster found no waterlines to the exterior or interior of the building. The adjuster observed sagging of the living room sub-floor, moisture in the crawlspace, and rotted floor joists.
- The adjuster canvassed the neighborhood and found no evidence of flooding. The adjuster spoke to the policyholders’ neighbor, and the neighbor reported there had been no flooding in the neighborhood for at least five years.
- In a letter dated July 2020, the insurer denied coverage due to no general and temporary condition of flood and the moisture exclusion under the SFIP.
- The policyholders appeal the insurer’s denial of coverage and contend flooding existed on their property on the claimed date of loss. In support of their appeal, the policyholders submit an estimate from a mitigation contractor.
- Because this information does not respond to the insurer’s reason for denial, FEMA’s decision is based on the documentation in the claim file.

¹ See 44 C.F.R. § 61.13 (2019); Dwelling Form available at 44 C.F.R. pt. 61 App. A(1) [hereinafter “SFIP”].

² The policyholders file this appeal under 44 C.F.R. § 62.20. The appeals process is available after the insurer issues a written denial, in whole or in part, of the policyholders’ claim. The policyholders’ appeal and related documents concerning the appeal, claim, or policy are on file with FEMA, Federal Insurance and Mitigation Administration, Federal Insurance Directorate, Policyholder Services Division, Appeals Branch [hereinafter “Appeal File”].

RULES

The insurer agrees to pay the policyholders for direct physical loss by or from flood to covered property, provided the policyholders comply with all terms and conditions of the SFIP.³

The SFIP defines a flood as a general and temporary condition of partial or complete inundation of two or more acres of dry land or two or more adjoining properties, one of which is the policyholders' property, by inland or tidal overflow; rapid accumulation of rainfall or snowmelt; or mudflow. In order to qualify for coverage, the SFIP requires a general condition of flooding exist at the described location on the reported date of loss.⁴

The SFIP does not cover direct physical loss caused directly or indirectly by water, moisture, mildew or mold damage that results primarily from any condition substantially confined to the building within the policyholders' control to include but not limited to design, structural, mechanical defects, or water or water-borne material that seeps or leaks on or through the covered property.⁵

ANALYSIS

The policyholders appeal the insurer's denial of coverage due to no general and temporary condition of flood.

The insurer agrees to pay the policyholders for direct physical loss by or from flood. The SFIP defines a flood as a general and temporary condition of partial or complete inundation of two or more acres of dry land or two or more adjoining properties, one of which is the policyholders', by inland or tidal overflow; rapid accumulation of rainfall or snowmelt; or mudflow. Here, the adjuster found no evidence of flooding on the exterior of the building, such as waterlines, flood borne debris, and ponding of water. The adjuster also canvassed the neighborhood and found no evidence of flooding in the area surrounding the policyholders' building. The adjuster spoke to a neighbor, and the neighbor reported experiencing no flood events in the five years in which she lived in her home. The policyholders submitted no evidence such as weather reports or articles regarding a flood event on the claimed date of loss. The policyholders' contractor statement and estimate provided no evidence showing the policyholders' building sustained damage directly from the claimed flood event. For these reasons, FEMA's review finds the insurer properly denied coverage, as the evidence does not show a general and temporary condition of flood existed on the claimed date of loss.

The SFIP does not pay for water, moisture, mildew, or mold damage that is within the control of the policyholders. Here, the adjuster observed sagging of the living room sub-floor, moisture in the crawlspace, and rot and deterioration to the floor joists. FEMA's review finds a single flood event would not cause the observed floor joists to rot so soon after the claimed flood event. FEMA's review finds the insurer properly denied coverage for moisture damage.

Accordingly, FEMA's review finds insurer properly denied coverage.

³ See SFIP (I), (II)(B)(12).

⁴ See SFIP (II)(A)(1)(a)-(c).

⁵ See SFIP (V)(D)(4).

CONCLUSION

Based on the facts and analysis above, FEMA concurs with the insurer's decision to deny coverage due to no general and temporary condition of flood.